Acquisition of Nucletron
Building a stronger position in the cancer care market

June 2011
Agenda

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Transaction overview

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ELEKTA
Elekta has signed a definitive agreement to acquire Nucletron, the worldwide leader in brachytherapy treatment planning and delivery.

Key transaction details:
- **Value:** €365m in cash
- **Financing:** Existing cash + available credit facilities
- **Closing conditions:** Subject to customary regulatory approvals
- **Date of expected close:** Early Autumn 2011

Deal approved by both companies’ Board of Directors.

Elekta already has a longstanding partnership with Nucletron via several worldwide distribution and marketing agreements since 1998.
Company snapshot

Company overview

- Headquartered in Veenendaal, Netherlands; Founded in 1975; ~500 employees
- Highly successful radiotherapy company specialised in Brachytherapy treatment solutions, treatment planning and related products
- #1 in Brachytherapy globally
- Global presence
  - Direct sales in 27 countries
  - Offers services and solutions to more than 3,000 institutions worldwide with high recurring revenue from the installed base
- Experienced management team with medical / radiation therapy background

Financial profile

- Solid financial performance
  - 2010 sales growth of 14%
  - 2010 EBITDA growth of 29%

Source: Company website
State of the art product portfolio

**Brachytherapy**

- Brachytherapy involves precisely placing a radiation source internally, either into or immediately next to the cancerous tumour
- Able to reach sites not typically accessible via external beam
- Prevalent in gynaecological, prostate and breast cancers
- Key brachytherapy products include Flexitron, MicroSelectron and Oncentra Brachy

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**Afterloaders**

**Applicators**

**Software**

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**Treatment planning**

- Offers a full spectrum of treatment planning software, including those for the key modalities within external beam

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**Treatment simulation and imaging**

- Radiation therapy simulator solutions - complementary to brachytherapy and external beam offering
- Key products include: IBU-Digital and Simulix Evolution
Brachytherapy’s important role in cancer care

Radiation therapy (RT) is an integral part of cancer care

Brachytherapy accounts for ~5-10% (1) of the RT market

Applications of Brachytherapy(2)

- Gynaecology: 15%
- Prostate: 12%
- Breast: 47%
- Other: 26%

Cancer types treated with brachytherapy

Most common cancers in women
- Breast
- Cervix uteri
- Colon and rectum
- Lung
- Stomach
- Ovary

Most common cancers in men
- Lung
- Prostate
- Stomach
- Colon and rectum
- Liver
- Oesophagus

Source: WHO, Cancer Atlas 2002, Global data
(1) Elekta and Nucletron estimates
(2) GEC ESTRO Patterns of Care Study
(3) CA Cancer J Clin 2006; 56:106-130
The acquisition is in line with Elekta’s ambition of building a leading position in the cancer care market

**Consistent with Elekta’s acquisition criteria**

- **Strategic fit of technology**
  - Highly complementary product and technology portfolio
  - Enhances ability to develop new oncology solutions

- **Geographic expansion**
  - Further expands Elekta’s reach and product offering in fast growing emerging markets and Asia Pacific

- **Strong fit with customer base**
  - Core focus on oncology and cancer care markets
  - Radiation therapy market customer focused

- **Strong distribution capacity**
  - Highly regarded direct sales force in 27 countries including Brazil, China and India
  - Network of distributors in 75 countries worldwide
Customers and patients will benefit from improved service offerings and reduced treatment times

• c.250,000 patients are treated by Nucletron each year, while Elekta treats c.650,000 annually

• Today’s complex cancer types and treatments require a high degree of multimodality and flexibility

• The combined company will be able to offer:
  – Precise and complete treatment options
  – Improved cancer cure rates
  – Reduced side effects
  – Reduced total treatment and recovery time
  – Lower costs and…
  – …Most importantly, improved patient outcomes
Elekta will have better access to oncology care in fast-growing emerging markets

Brachytherapy is an important treatment option in emerging markets due to:
- Lower maintenance and installation costs
- Shorter treatment times
- Reduced treatment costs

Source: Company information and estimates

(1) Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela, Bahamas, Barbados, Cuba, Puerto Rico and Trinidad and Tobago.

(2) Market position based on afterloader installed base; source: Nucletron
Financial considerations

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Financial considerations

- Transaction valued at €365m on a cash and debt free basis
- Acquisition will add c.15% percent to Elekta’s sales
- Expected to yield good growth with attractive revenue opportunities by taking mutual advantage of Nucletron’s presence in Asia and Elekta’s global footprint and enhanced customer solutions
- Accretive to cash earnings within 12 months
- Conservative leverage ratios post transaction
- Strong pro forma cash flow generation
Summary

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Summary

• Strong technologic fit and opportunities
• Broadens product and service offerings
• Expands presence in emerging markets
• Accretive to cash earnings within 12 months
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Q&A